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Central America Deserves Support

By John K. Veroneau

Public support for international trade has always been difficult to maintain. Even the pending trade agreement with Central America enjoys lackluster support in Maine despite the facts that Maine exports to that region have increased by nearly 150 percent since 2000 and that very few Central American products compete with Maine-made goods.

The evidence is overwhelming that - in the long run - we are better off if people are allowed to trade without government interference. But, in the near term, adjustments to global competition can be difficult. As a caring society, we must help families who may bear the immediate brunt of open trade, through policies to help businesses create new jobs and programs to help people acquire new skills.

Lagging support even for a trade agreement that poses no threat to Maine jobs is due largely to past trade debates having exaggerated the negative and undervalued the positive aspects of a global trading system.

First, most job losses are not due to trade, but to productivity gains. Manufacturing output in America has increased by 75 percent since the late 1980s, even though fewer of us work as manufacturers. A third of Americans used to farm land. Today, a relative handful of us farm the land. Yet thanks to machinery, farm output today dwarfs what a third of us used to produce. America's openness to new technologies, despite short-term job losses, has been a significant source of our prosperity. Similarly, our openness to trade has been a key element of our economic growth.

Second, trade creates jobs. Many jobs in Maine and America depend on foreign customers. Export-dependent jobs tend to pay better than those not dependent on trade. As middle class societies develop in historically poor parts of the world, their appetite for high-value U.S. goods and services will continue to grow. U.S. exports to China, for example, have more than doubled in the past four years. Job growth in America relies more and more on strong economic growth throughout the world.

Third, while an assessment of economic benefit should drive U.S. trade policy, we should not overlook the humanitarian and national security values promoted by trade. In 1980, I lived in Thailand helping Cambodian refugees leave their war-torn country to make new lives for themselves in the United States. In the aftermath of Pol Pot's genocide, Cambodia offered little hope for its citizens. Today, partly due to U.S. trade policies, there are jobs in Cambodia allowing families to build lives in their home country. In time, Cambodia will be an important customer base for U.S. goods and services.

As nations prosper, America's national security interests are also served. Countries that are linked economically are far less likely to threaten each other militarily. Realizing that

no nations with McDonald's networks had ever waged war against each other, one commentator proposed the Golden Arches Theory of Conflict because "when a country reached the level of economic development where it had a middle class big enough to support McDonald's, it didn't like to fight wars anymore, preferring [instead] to wait in line for burgers."

America needs to be engaged in the world. The Great Depression of the 1930s grew from the dangerous notion that America should close its borders. In truth, America's economic strength and future depends heavily on the prosperity of other nations. The world's economic pie is not fixed. The history of the last 50 years demonstrates that it grows each year. Better lives for families in Africa, Asia or Latin America do not come at the expense of American families. On the contrary, as more and more citizens of the poorest countries in the world become more productive, America's economic and security interests are enhanced.

Congress will soon consider an agreement to curb government regulation in trade between America and Central America. Congress supported the Administration's negotiation of this agreement in part because of the war on drugs. Nurturing economic growth in Central America will complement law enforcement efforts to stem the flow of illegal drugs from this region.

Turning our backs on these countries at this late stage would do serious harm to America's economic and security interests in Latin America.

John K. Veroneau, a Maine native and former general counsel of the U.S. Trade Representative, is a partner at the law firm of DLA Piper Rudnick in Washington, D.C.